

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION

Clerk, U.S. District Court
Southern District of Texas
FILED

JUL 25 2012

David J. Bradley, Clerk of Court

UNITED STATES OF AMERICA

v.

CRIMINAL NUMBER

MICHAEL YARBROUGH

~~ASHLEY PHILLIPS~~ Ashley Nicole Yarbrough
aka Ashley Phillips
STEPHEN ATKINSON -per order of BJE on 8/2/12

C - 12 - 551

~~SEALED~~

Unsealed 8-2-12
-dp

SEALED INDICTMENT

THE GRAND JURY CHARGES THAT:

COUNT ONE

Between on or about January 1, 2011, and up to and including the date of this indictment, in the Corpus Christi Division of the Southern District of Texas and elsewhere within the jurisdiction of the Court, the defendants,

MICHAEL YARBROUGH,
Ashley Nicole Yarbrough aka ASHLEY PHILLIPS, -per order of BJE on 8/2/12
and STEPHEN ATKINSON,

not being licensed dealers and manufacturers of firearms within the meaning of Chapter 44, Title 18, United States Code, each aiding, abetting, and assisting one another, did willfully engage in the business of dealing in and manufacturing firearms.

In violation of Title 18, United States Code, Sections 922(a)(1)(A), 923(a), 924(a)(1)(D), and 2.

COUNT TWO

On or about February 14, 2011, in the Corpus Christi Division of the Southern District of

Texas and elsewhere within the jurisdiction of the Court, the defendant,

MICHAEL YARBROUGH,

did knowingly aid, abet, and assist the making of false statements or representations to a licensed firearms dealer, to wit: Jesse's Gun Shop, licensed under the provisions of Chapter 44 of Title 18, United States Code, with respect to the information required by the provisions of Chapter 44 of Title 18, United States Code, to be kept in the records of the licensed firearms dealers, in that the defendant did aid, abet and assist in the execution of a Department of Justice, Bureau of Alcohol, Tobacco, Firearms, and Explosives Forms 4473, Firearms Transactions Records, in which M.F. answered that he was the true purchaser of the firearms, whereas in truth and in fact, M.F. was not the true purchaser of the firearms.

In violation of Title 18, United States Code, Sections 924(a)(1)(A), 924(a)(1)(D), and 2.

COUNT THREE

Between on or about January 1, 2011, and up to and including the date of this indictment, in the Corpus Christi Division of the Southern District of Texas and elsewhere within the jurisdiction of the Court, the defendant,

MICHAEL YARBROUGH,

did knowingly ship, transport, and receive firearms or ammunition in interstate or foreign commerce, while having knowledge or reasonable cause to believe that an offense punishable by imprisonment for a term exceeding one year was to be committed.

In violation of Title 18, United States Code, Section 924(b).

COUNT FOUR.

On or about August 15, 2011, in a matter within the jurisdiction of the Executive Branch of the Government of the United States, the defendant,

MICHAEL YARBROUGH,

did knowingly and willfully make a false, fictitious, and fraudulent material statement or representation to the Bureau of Alcohol, Tobacco, Firearms, and Explosives Special Agent Brian Garner, in Corpus Christi, Texas, while being interviewed by Special Agent Garner regarding an investigation the Bureau of Alcohol, Tobacco, Firearms, and Explosives was conducting regarding a business located at a residence in Corpus Christi, Texas, to wit: that he did not sell completed firearms when, in fact, defendant knew that he did sell completed firearms.

In violation of Title 18, United States Code, Section 1001(a)(2).

COUNT FIVE

On or about August 15, 2011, in a matter withing the jurisdiction of the Executive Branch of the Government of the United States, the defendant,

Ashley Nicole Yarbrough aka
ASHLEY PHILLIPS, -per order of BJE on 8/2/12

did knowingly and willfully make a false, fictitious, and fraudulent material statement or representation to the Bureau of Alcohol, Tobacco, Firearms, and Explosives Special Agent Steven Waters, in Corpus Christi, Texas, while being interviewed by Special Agent Waters regarding an investigation the Bureau of Alcohol, Tobacco, Firearms, and Explosives was conducting regarding a business located at a residence in Corpus Christi, Texas, to wit: that she and Michael Yarbrough did not sell completed firearms when, in fact, defendant knew that she and Michael Yarbrough did sell completed firearms.

In violation of Title 18, United States Code, Section 1001(a)(2).

COUNT SIX

On or about August 29, 2011, in a matter within the jurisdiction of the Executive Branch of the Government of the United States, the defendant,

MICHAEL YARBROUGH,

did knowingly and willfully make a false, fictitious, and fraudulent material statement or representation to the Bureau of Alcohol, Tobacco, Firearms, and Explosives Special Agent Brian Garner, in Corpus Christi, Texas, while being interviewed by Special Agent Garner regarding an investigation that the Bureau of Alcohol, Tobacco, Firearms, and Explosives was conducting regarding a Maverick, Model 88, 12 gauge shotgun purchased by defendant in Corpus Christi, Texas, to wit: that he had not transferred ownership of the Maverick, Model 88, 12 gauge shotgun to E.P., a prohibited person, when in fact, defendant knew that he had transferred ownership of the Maverick, Model 88, 12 gauge shotgun to E.P., a prohibited person.

In violation of Title 18, United States Code, Section 1001(a)(2).

COUNT SEVEN

Between on or about the January 1, 2011, and up to and including the date of this indictment, in the Corpus Christi Division of the Southern District of Texas, and elsewhere within the jurisdiction of the Court, the defendant,

MICHAEL YARBROUGH,

did willfully assemble using more than ten (10) imported parts for a semiautomatic rifle or any shotgun which is identical to any rifle or shotgun prohibited from importation under title 18, United States Code, Section 925(d)(3) as not being particularly suitable for or readily adaptable to sporting purposes.

In violation of Title 18, United States Code, Section 922(r), and Title 27, Code of Federal Regulation, Section 478.39.

NOTICE OF FORFEITURE

A. Under 18 U.S.C. § 924(d)(1) and 28 U.S.C. § 2461(c), the United States of America gives defendants,

MICHAEL YARBROUGH,
Ashley Nicole Yarbrough aka ASHLEY PHILLIPS, -per order of BJE on 8/2/12
and STEPHEN ATKINSON,

notice that any firearm and ammunition involved in or used in any violation of Title 18, United States Code, Sections 922(a)(1)(A), 923(a), 924(a)(1)(D), and 2, as charged in Count One, shall be subject to forfeiture, including, but not limited to, the firearms and ammunition listed on the attached and incorporated Exhibit 1.

B. Under 18 U.S.C. § 924(d)(1) and 28 U.S.C. § 2461(c), the United States of America gives defendant MICHAEL YARBROUGH notice that any firearm and ammunition involved in or used in any violation of:

- a. Title 18, United States Code, Section 371, 922(a)(6), and 924(a)(2), as charged in Count Two,
- b. Title 18, United States Code, Section 924(b), as charged in Count Three, or
- c. Title 18, United States Code, Section 922(r) and Title 27, Code of Federal Regulation, Section 478.39, as charged in Count Seven shall be subject to forfeiture, including, but not limited to, the firearms and ammunition listed on the attached and incorporated Exhibit 1.

Substitute Assets

C. In the event that the property subject to forfeiture as a result of any act or omission of a defendant:

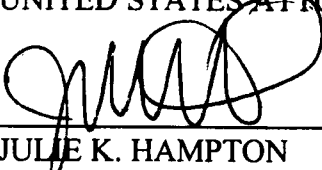
- a. cannot be located upon exercise of due diligence;
- b. has been placed beyond the jurisdiction of the Court;
- c. has been transferred or sold to, or deposited with a third party;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States to seek forfeiture of any other property of the defendant up to the value of such property pursuant to Title 21, United States Code, Section 853(p).

A TRUE BILL:

KENNETH MAGIDSON
UNITED STATES ATTORNEY

By:



JULIE K. HAMPTON
Assistant United States Attorney

A TRUE BILL:

ORIGINAL SIGNATURE ON FILE
FOREPERSON OF THE GRAND JURY

Exhibit 1

Asset List for Claim Acknowledgment Letter

November 4, 2011 (10:48am)

Agency Case: 782020-11-0107 Michael Yarbrough

Seizure No: 01

ASSET ID	ASSET DESCRIPTION	ASSET VALUE	VIN/SERIAL NO
11-ATF-025610	Romarm/Cugir Mini Draco Pistol CAL:762 SN:PD-0858-2011 RO	\$400.00	PD-0858-2011 RO
11-ATF-025613	86 Rounds Assorted Ammunition CAL:762	\$8.60	**
11-ATF-025616	KBI Inc. CDD-15 Rifle CAL:556 SN:CDD07078	\$600.00	CDD07078
11-ATF-025617	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025619	Ruger Range Rifle CAL:223 SN:195-01722	\$300.00	195-01722
11-ATF-025622	Century Arms International Tantal Sporter Rifle CAL:545 SN:TT	\$800.00	TTL03976
11-ATF-025624	Heckler And Koch HK45 Pistol CAL:45 SN:HKU006269	\$600.00	HKU006269
11-ATF-025626	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025627	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025628	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025629	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025631	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025632	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025634	Heckler and Koch USP Pistol CAL:45 SN:25082918	\$400.00	25082918
11-ATF-025635	Steyr M40 A1 Pistol CAL:40 SN:049723	\$375.00	049723
11-ATF-025636	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025638	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025639	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025642	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025643	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025644	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025646	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025647	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025649	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025650	Mavericks Arms (Eagle Pass, TX) 88 Shotgun CAL:12 SN:MV37918N	\$150.00	MV37918N
11-ATF-025652	Israel Weapon IND-IMI (Israel Military IND-IMI) Desert Eagle	\$600.00	38203177
11-ATF-025654	Spike's Tactical LLC ST15 Rifle CAL:223 SN:RM25162	\$1000.00	RM25162
11-ATF-025655	Steyr M40 A1 Pistol CAL:40 SN:049771	\$400.00	049771
11-ATF-025657	Rock Island Armory Inc. (Geneseo, IL) 1911 Pistol CAL:45 SN:R	\$700.00	RIA1079924
11-ATF-025685	Glock Inc. 17 Pistol CAL:9 SN:PHP952	\$500.00	PHP952
11-ATF-025687	Ruger Security Six Revolver CAL:357 SN:15089583	\$300.00	15089583
11-ATF-025688	Bersa Thunder 380 Pistol CAL:380 SN:768864	\$250.00	768864
11-ATF-025690	Unknown Manufacturer AK, Type Rifle CAL:7.62 SN:None	\$750.00	None
11-ATF-025693	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025695	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$7.50	None
11-ATF-025697	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025699	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025701	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025702	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025703	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025705	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025706	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025708	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025709	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025711	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025712	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025714	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025715	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025717	99 Rounds Assorted Ammunition CAL:762	\$9.90	**
11-ATF-025721	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025723	Unknown Manufacturer AK, Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025753	124 Rounds Assorted Ammunition CAL:762	\$12.40	
11-ATF-025756	Walther P22 Pistol CAL:22 SN:L284694	\$200.00	L284694
11-ATF-025757	3 Rounds Assorted Ammunition CAL:223	\$0.30	**
11-ATF-025758	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025759	125 Rounds Assorted Ammunition CAL:762	\$12.50	**
11-ATF-025762	Unknown Manufacturer AK Type Rifle CAL:762 SN:1981KM03382	\$400.00	1981KM03382
11-ATF-025766	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025769	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$400.00	None
11-ATF-025771	Unknown Manufacturer ** Receiver/Frame CAL:762 SN:None	\$400.00	None
11-ATF-025777	Unknown Manufacturer Unknown Receiver/Frame CAL:762 SN:None	\$400.00	None
11-ATF-025781	Unknown Manufacturer Unknown Receiver/Frame CAL:762 SN:None	\$400.00	None
11-ATF-025791	Unknown Manufacturer Unknown Receiver/Frame CAL:762 SN:None	\$400.00	None
11-ATF-025802	Unknown Manufacturer Unknown Receiver/Frame CAL:762 SN:None	\$400.00	None
11-ATF-025806	Unknown Manufacturer Unknown Receiver/Frame CAL:762 SN:None	\$400.00	None
11-ATF-025810	Unknown Manufacturer Unknown Receiver/Frame CAL:762 SN:None	\$400.00	None
11-ATF-025819	Unknown Manufacturer Unknown Receiver/Frame CAL:762 SN:None	\$400.00	None
11-ATF-025820	356 Rounds Assorted Ammunition CAL:**	\$35.60	**
11-ATF-025823	1808 Rounds Assorted Ammunition CAL:**	\$180.80	**
11-ATF-025824	248 Rounds Assorted Ammunition CAL:762	\$24.80	**
11-ATF-025829	30 Rounds Assorted Ammunition CAL:762	\$3.00	**
11-ATF-025831	12 Rounds CCI Ammunition CAL:45	\$1.20	**
11-ATF-025833	11 Rounds Speer Ammunition CAL:45	\$1.10	**
11-ATF-025835	7 Rounds Assorted Ammunition CAL:50	\$0.70	**
11-ATF-025837	12 Rounds Assorted Ammunition CAL:40	\$1.20	**
11-ATF-025840	15 Rounds Hornaday Ammunition CAL:9	\$1.50	**

11-ATF-025842	9 Rounds CBC - Brazilian Cartridge Company Ammunition CAL:380	\$0.70	**
11-ATF-025843	18 Rounds Federal Ammunition CAL:9	\$1.80	**
11-ATF-025844	22 Rounds Winchester-Western Ammunition CAL:22	\$2.20	**
11-ATF-025846	10 Rounds Winchester-Western Ammunition CAL:22	\$1.00	**
11-ATF-025849	16 Rounds Remington Ammunition CAL:9	\$1.60	**
11-ATF-025850	12 Rounds Federal Ammunition CAL:40	\$1.20	**
11-ATF-025852	12 Rounds PPU Ammunition CAL:380	\$1.20	**
11-ATF-025853	8 Rounds Hornaday Ammunition CAL:45	\$0.80	**
11-ATF-025854	4 Rounds Unknown Ammunition CAL:762	\$0.40	**
11-ATF-025855	30 Rounds Unknown Ammunition CAL:223	\$3.00	**
11-ATF-025863	Taurus PT92AF Pistol CAL:9 SN:TZF48823	\$350.00	TZF48823
11-ATF-025864	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$750.00	None
11-ATF-025866	57 Rounds Assorted Ammunition CAL:762	\$5.70	**
11-ATF-025868	Bersa Thunder 9 Pistol CAL:9 SN:B68203	\$400.00	B68203
11-ATF-025870	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025874	Ruger Single Six Revolver CAL:22 SN:6633569	\$300.00	6633569
11-ATF-025875	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025879	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025881	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025882	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025883	Unknown Manufacturer AK Type Rifle CAL:762 SN:None	\$800.00	None
11-ATF-025886	Ruger LCP Pistol CAL:380 SN:37021287	\$200.00	37021287
11-ATF-025887	Ruger 10/22 Rifle CAL:22 SN:11924532	\$250.00	11924532